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THE HIGH-VOLTAGE GRID IS SMART AND GETTING SMARTER, NEW WIRES REPORT EXPLAINS

WASHINGTON, DC – A new WIRES report examines the emerging "smart grid," focusing on how modern technology addresses operational challenges confronting the North American bulk power system. As the demand for energy and the number of wholesale power transactions increase, as system congestion and reliability problems recur, and as clean energy policy and concerns about energy independence promote fuel diversity and access to location-constrained renewable resources, the "smart grid" is emerging as a critical tool in the development and evolution of wholesale power markets. *Smart Transmission: Modernizing the Nation's High-Voltage Electric Transmission System* is available on the WIRES Web site at: http://wiresgroup.com/images/WIRES_Smart_Transmission_Report_January_2011.pdf

"We are proud of this report because it provides a 'down-in-the-weeds' explanation of how smart the nation's transmission system is today," said Autry Warren, WIRES Treasurer, who is Senior Director – Transmission & Municipal Relations at Oncor Electric Delivery Company LLC, in Dallas.

"This report is nevertheless realistic about the relationship between investment in conventional transmission and investment in technological enhancements to the grid," Warren said. "Smart grid has recently -- and deservedly -- taken root in our energy policy debate, but even technologists seldom focus on the transmission system as 'smart.' The deployment of new technologies to improve efficiency and reliability already has a long history in the transmission sector."

"WIRES wanted to focus on 'smart grid' as a transmission-level phenomenon but also to make clear that these technologies do not obviate the need to expand and upgrade facilities in other ways," Warren added.

The new report, which collects existing data and published information and opinion, describes the new technological innovations that are being installed within the interstate transmission network: integrated communications technology; sensing and measurement equipment; diagnostic and analytic capabilities; automation and controls; advanced materials and superconductors; energy storage; advanced components and power electronics; and human interfaces and operator support. Many of these technologies represent off-the-shelf grid improvements today, while others are being developed or hold promise for tomorrow.

The report notes that investments in "smart transmission" provide a range of benefits to power customers and markets: better reliability; increased electricity throughput at lower delivered cost; fuel diversity with greater efficiency and lower overall emissions; greater access to renewable and other clean generation resources, with lower operational integration costs; more effective use of energy storage to lower the costs of peak electricity provision; more third-party participation in

the power system; and greater availability of information about grid conditions, overall and localized demand, and electricity prices for use by customers and market participants.

“The physical and public policy demands on the system are changing,” said James Hoecker, Counsel to WIRES and former Chairman of the Federal Energy Regulatory Commission. “Transmission providers are making new investments in transmission lines and information technology to modernize the grid and make it stronger, smarter, more efficient and more secure. I think the report calls for a sensible balance. These two kinds of transmission investment are not mutually exclusive."

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*WIRES (**W**orking group for **I**nvestment in **R**eliable and **E**conomic electric **S**ystems) is a non-profit trade association of transmission providers, customers, and equipment and service companies formed to promote investment in electric transmission and progressive State and Federal policies that advance energy markets, economic efficiency, and consumer and environmental benefits through development of electric power infrastructure. For more information, visit www.wiresgroup.com or contact Jim Hoecker at 202-639-6500.*